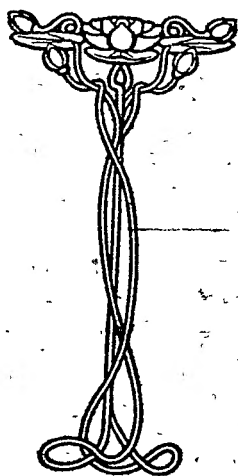


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The Economical Condition and Resources of the Canadian Middle West



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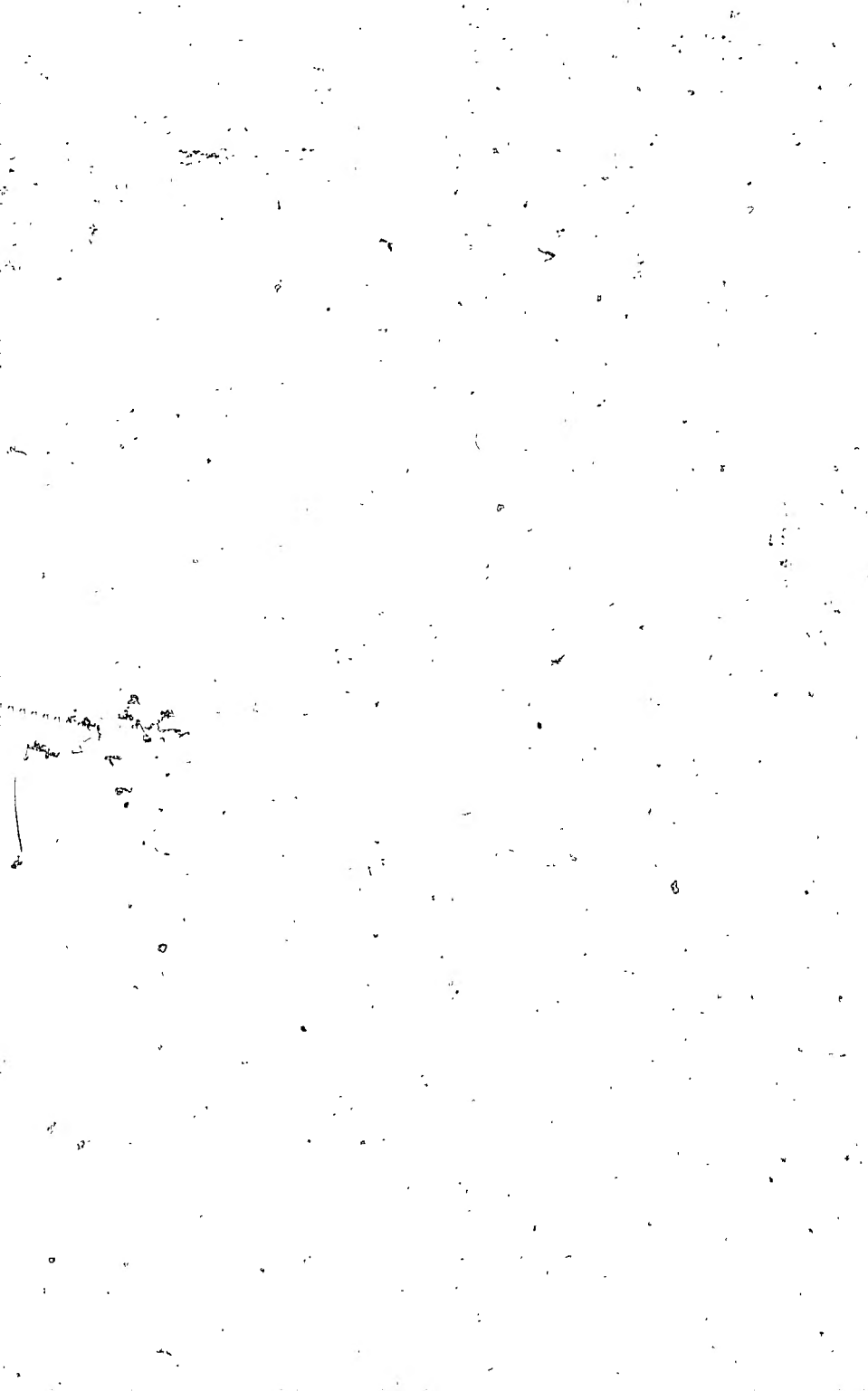
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Introductory.

A study of the causes of the high prices prevailing here should begin by taking account of the increase of intelligence in the past century among people everywhere, with an accompanying advance in enterprise. Education and wider reading have awakened fuller consciousness in them; they are more aware of what is going on in the world, and with this knowledge their physical and mental wants increase.

The spirit of "divine discontent" is abroad, spurring men to rise in their standard of living and so promoting civilization; none are content without better fare than their fathers could get. They strive for more money as a means to attain more luxury, more amusement, more leisure to enjoy. The love of life has increased with their wider outlook; and the capacity to enjoy is active and eager to be gratified, at first in physical well-being and after in the exercise of the higher faculties of taste and imagination.

These larger wants have occasioned a continually growing increase in manufactures and trade, which has been made feasible by a concurrently increasing output of gold. Not that the supply of gold in itself directly promotes trade, but that on the quantity of it in circulation and in reserve depends the volume of credit money—of bank notes, loans, and credits—available for trade, always in due ratio though to a vastly greater amount than the gold. The possession of this by the banks enables credit and credit money to be issued to a proportionate though much larger volume, and so promotes or retards trade as the quantity of gold available expands or shrinks. If credit money be in excess, trade is over-stimulated while any diminution of its volume through a loss of its basis of gold, brings it down to a sober use, though, if the diminution be not very great, trade will still, as an after-effect of the expansion, be stimulated in some measure. The credit money now actually in use might have been still larger in volume but for the continual hoarding in India of a good deal of the world's gold supply, which withdrawing has had the effect of keeping the rest effective in extending and cheapening credit. It is to be noted however in this connection that any very large increase in the supply of gold could not stimulate

trade to a correspondingly large amount unless it were gradual, spread over years, for the volume of trade depends first of all on the capacity to do it, and this capacity is not as elastic as the production of gold might conceivably become. Therefore we may say that the price of commodities, depending on the state of trade and credit would not automatically rise, as is sometimes thought, correspondingly with an overabundant supply of gold.

This expansion on all sides went on until at last it seemed a few months ago that the very limit of the business capacity of the Western world had been reached. New enterprises were every day begun, and the production of goods was so increased that inevitably this must have equalled or even exceeded the consumption had it not been (1) for the great stimulus to consumption mentioned above, and (2) for a continual loss of goods through waste in various ways—in a huge destruction by fire always going on, by shipwreck, in unskilful or careless housekeeping, in an extravagant use of necessities and luxuries, in the support of a large non-producing town population, not being distributors; and (but this is only abroad) in the maintenance of vast armies and of non-producing workmen on strike,—all which and the like has used up the increase in goods produced and prevented the fall in prices that should otherwise have taken place, if in these various ways consumption had not been made to exceed production.

A marked slackening of business set in last mid-winter; there came a pause, then a receding of the tide; and it looked for a time as if more and more slackness in the trade of the whole Western world were coming. That most timorous and apprehensive thing—credit, over-strained no doubt, taking alarm was shaken when business showed signs of proving unprofitable; and available working capital at once grew scarce and dear.

Such a stoppage of industrial loans—of industrial working capital would ordinarily by checking production tend to raise or maintain prices. For these are governed by the law of supply and demand, and when there is a scarcity of goods—when demand exceeds supply, prices rule high and tend to rise; and when to ordinary consumption is added such waste as has been spoken of, a scarcity still greater is produced, and prices rise still higher to the consumer. This when trade is good. But when it is bad, consumption falls off as well as production, and hence a check is put to any rise of prices, which indeed may actually fall, from a pressure to sell goods.

II.

The working capital proper of a nation consists in its accumulated savings, but our capital in Western Canada still lies in undeveloped or but partially developed resources. Individuals among us have local capital but the West as a whole has not yet accumulated a realized working capital of its own; it owes more debt payable in gold abroad than it has gold to pay with. But it has had in general credit to supplement what gold it owns—credit as a vigorous growing nation, an enterprising and industrious people, with a reputable government, possessing vast latent resources—credit abroad, chiefly, as is natural, with the mother country. To the confidence of England and her generous financial aid we owe all our industrial expansion, development, and prosperity the past ten years.

Through her world-wide trading the savings of England increase her surplus capital so fast that she employs the excess as it grows in loans and ventures the world over; but an over-demand on this surplus from everywhere for trade purposes and loan requirements had come and as an incident used up the portion of it that would otherwise have been available to Western Canada; though perhaps this had been already forestalled by our too lavish demands for development purposes, while our credit had been impaired by some ill effects of the inordinate speculation prevailing. At that juncture however in England what with vast foreign war and colonial government and railway loans and trade commitments, there was not sufficient surplus savings available to supply all demands on it from every quarter. Despite the continuous strain however of these demands they were gradually met except for Canada; through it all general credit remained unimpaired and no sign of panic was seen;—all showing an inherent strength that affords us a hope for the future, when we shall have rehabilitated ourselves. The depression there has since passed off and trade now seems as flourishing as ever, owing in part to an accumulation of available funds through the depression. But the credit of Western Canada has not yet revived; our borrowing power is for the moment at a low ebb. We have no doubt been unconscionably lavish in spending the money lent us. Too much has been spent on our towns and cities; the development of our resources has been hastened

too much; railway construction in the far West has been too rapid for our ready means.

Besides bond capital for railway construction, we have borrowed abroad largely for provincial public works—roads, bridges, and buildings, and for municipal purposes—schools, street construction and lighting, water works, drainage and civic buildings; all this latter on a scale to accommodate town populations far too large. From these borrowings, with the proceeds of our exports, has come our working capital, supplemented by money sent here from abroad for investment or brought into the country by immigrants, and by commercial and bank credits. On borrowed moneys interest must of course be paid all along, while in general payment of the principal, lent for the development of the country, is properly set over until some fruits of the development shall fall in.

But our supply of borrowed money for these purposes failing, the result immediately followed that many important municipal works in the larger cities and towns came to a stop, private building also stopping in great part, except for large institutions that could afford to build for the future; and other industries slackened, the demand for goods falling off; with the consequence everywhere that many workpeople and clerks, with troops of temporary real estate dealers, were thrown out of employment. Artisans and other workmen expect work to slacken in the winter season; but the past winter there was more unemployment than usual, owing to the many immigrants that had been allured here before it was seen how our supply of money from abroad would stop and what ill-effects would ensue; and the extra competition of these for what little work has been doing has aggravated the situation for the rest.

The stoppage of supply caught everybody under some commitments for spending. Public works then in progress had to be finished; private people had investments in land or buildings only partly paid for that could not be sold, or in businesses whose stocks were full and almost as unsaleable. With everybody money became (as it still is) scarce; and this through rank after rank from the well-off downward to the smallest trader.

A healthier state now happily prevails. People have settled down to the everyday business at hand, of which there is

usually plenty to be found in a new country with an industrious population such as ours. Debts are being paid, slowly it is true, and the banks are able safely to do much for legitimate business purposes—all that it is wise to do in view of the precarious state of the Canada account in London. Still there is much unemployment.

A much larger supply of money is wanted; but while money accumulates in England from savings and is invested as occasion serves, we cannot expect that it will flow readily into our West yet awhile. This Western Canada is a new country and the populations have not the settled habits of the older provinces. The men are mostly young and among them are many whom it is hard to keep at steady employment, with such limitless opportunities as they fancy on all sides. The past ten years has been for us a period of settlement and rapid growth amid vast undeveloped resources, where speculation might have been expected; and this indeed has hovered about all our trading proper, ready to break in at the least opportunity. The exhilarating climate too fosters a daring sanguine spirit, which, though it be seen only here and there, yet, being most prominent in the public eye, causes a doubt of the general stability of our business men, however little they may be implicated; and so is a constant menace to our credit.

While therefore if we are open to any suspicion on this head as well as on that of extravagance such of our industrial securities as are not conspicuously good are unlikely to be in favor in London, we may yet obtain there a share of their surplus funds for certain municipal purposes (though we may have to pay high rates), care being taken as to the advisability of the purpose. Our municipal securities are semi-public in character, having virtually the whole respective community at their back; and the supply if adequate in amount, with other moneys for farm mortgage loans that would continue to come if the demand for such revive, the farmer again feeling he may borrow,—this would also revive industries everywhere wholesomely. But the demand awaiting London is always enormous; while their finances have lately been so disturbed by the Balkan War that any full supply of money there will, for a year or two, probably be but fitful and occasional; and for us to succeed at all we must give the best assurance we can

that speculative adventures are no longer in favor with us, and that eschewing all extravagance we are in the settled resolve that any money lent us hereafter shall faithfully be put to productive use—an earnest and security for which we may adduce in the prudent conservative trading already observable among us under the controlling influence of the banks. Our actions are the best assurance we can give, and through them only can we expect to regain access to the English money market, so essentially necessary to our further industrial progress.

III.

In common with the East the cities and towns of the West contain too many non-producers and non-distributors: an urban population should always bear a due proportion to the rural population the town or city serves. But perhaps the fault here is, not that the town populations are too large as that those of the country are too small; there are not so many people on the land as there ought to be on such an extensive area in use. A good number of townspeople are necessary, for the purpose of distributing goods, for finance and insurance, and for local domestic industries; while much work of diverse sorts for local needs may be done most conveniently near-by. Place may also be found for a light sprinkling of such ardent enterprising spirits as are alluded to above, so quick to perceive and seize opportunities to prosper, whose useful function it is to arouse a slow place to life.

Local industries are all-important. The development of any local advantage that may profitably be made marketable is by all means to be encouraged, as are grist-mills and the like and any other local industries in whose favor there is distance from large industrial centres; and it should be felt as a loyal duty by every resident to prefer traders on the spot to those at a distance, even at some extra cost. Propertied and moneyed men, while supporting their investments, and others of influence, should too endeavor by all means to render life in their towns so agreeable that people there might be able to live in some degree of comfort. Sound industries and trades suitable to local needs are above all necessary for this, and these should have the active co-operation as well as the goodwill of wealthy citizens in establishing and sustaining them. But it is waste to carry on an unsuitable business anywhere; our

attention in the West had better be given for the present not chiefly to industrial enterprises, but to the agricultural resources of a neighborhood. On these alone can our rural towns be established well as centres of local industries.

The larger a city or town population becomes the better will it be able to reach out and compete for trade in smaller towns, for among the larger population will be found more skill and experience and ability to do work cheaply; whereby their industries will grow in importance till they become of the first rank. There are many sound and well established financial and industrial businesses in the Middle West that may be expanded, but the establishment of new ones just yet on any large scale would be most difficult. The rise of any very large manufacturing centres—of anything like a great factory system—except where special local advantages exist or the industry depends more on power than labor, has indeed been rendered unfeasible for the present by the high cost of living here, notably of rent and fuel; for while this condition prevails it will be impossible to get sufficient cheap labor.

We have a highly ozonised climate and sunshine of dazzling splendor—creating mirages it would seem on our prairies—under whose exhilarating influence the glamour of a harvest of hundreds of millions of bushels of wheat predicted for us every spring has had the effect of plausibly inspiring a vast nomadic host of migrating real estate speculators, operating everywhere, to cover in imagination the whole prairie country presently with flourishing peopled farms. This prospect has been lent countenance to by much undistinguishing praise lavished on the country and its resources by casual passers-through; and so English investors have been misled into buying prairie lands at farm prices, many others here being similarly carried away by their own delusive optimism. Much money was made while they could sell as well as buy; but much embarrassment ensued when the selling became less easy, very many of the poorer sort falling into distress.

Dealing in real estate was the form the speculative spirit of our sanguine people took. It became the prominent feature—the very centre of their enterprise, and a veritable school of gambling that continually attracted newcomers, who eagerly seized on it rather than settle down to the more arduous work of developing something of our resources.

The great access of population to the Western cities and towns within the past ten years—the air of prosperity there given (amid much real business) by bustling crowds, enabled the speculators, by action and reaction, under the same stimulating climatic influence, to achieve a corresponding though much greater rise in the price of town lands. Such a rise is incident to a very sudden great increase in town populations; but it belongs properly only to a period of town growth, and will stop when the real wants of the period are fulfilled. While it lasted with us—while the land could be sold on a rising market, great profits were reaped by the speculators, throwing an almost equally great burden on the occupying workers; and under that artificial stimulus prices were gradually carried up to a range that in general can be regarded only as—belonging to a stage of development we have not yet reached.

With an equally high cost of building, in these conditions, high rents have followed of course on inflated land values. For wage and salary earners, after the rent is paid, an inadequately small proportion of earnings is now left for the other necessities of life, including the most costly article of fuel; and this is felt as a burden by workpeople of all kinds, who are in the predicament that while from under-supply high prices prevail in everything else they do not in labor, because this is in over-supply. So many have been attracted here by the lure of the West that labor, especially clerical labor, is over-abundant, which keeps the rate of their pay far below a due ratio to the enhanced cost of living; while shopkeepers and traders, with business stagnant, have a struggle to pay rent, or dividends in the shape of rent, on what is in its effect on them an over-capitalisation of the land their premises occupy. But failing any relief to this, which it would seem is likely to come only from a great expansion of business, it is certain that such inflation of town values must sooner or later, wherever earnings cannot at all be made to pay correspondingly high rents—where interest on land values, in the form of rent, absorbs too large a share of the proceeds of a shopkeeper's sales, or of a tenant's income,—wherever this is the condition it must end in a cessation of dividends on the excess values; that is, in a lowering of rents to their proper economic level, values being brought, as they always ought to be, to the test of revenue return, or at the most but a little above this.

With this inflation, cheap homes are unattainable. Any home indeed—any true home—is unattainable or difficult to maintain where a too great proportion of one's income is taken for interest on the cost and for taxes, or in the equal burden of high rents. Such a rate of expense therefore is driving people into apartment blocks, into a sort of limited co-operative housekeeping, which perhaps is cheaper, and doubtless is convenient for ladies alone and small families, but for the rest any such nomadic life is not conducive to the discharge of the duties of citizenship or a due feeling of loyalty to the city. There are however no less than three hundred and fifty apartment blocks in Winnipeg. Many are highly respectable, but all must be limited in accommodation, some so much so that the City Solicitor warns us that they are on the verge of becoming slums. It is bad for family life where children have no back yard to play in, but must scamper through passages and corridors within doors for exercise. Parks, of which we in Winnipeg have plenty and two or so of the very best on the continent, are a great though but occasional relief to this, but are not at all a substitute. A family must feel that they are but lodging in apartments; it is an encampment rather than a home, which will not arouse affection save in a slight degree; the charm of home in the old-fashioned sense cannot be there as a centre of family affection to which one can look back with emotion in after life.

A loss of our working capital, and so one cause of high prices, began some years ago with a large amount of money carried out of the West by strangers as profits on their real estate operations, burdening the land again to that extent for settlers; while further losses now come from sending money abroad for foodstuffs that could be produced as well at home, and from many of our moneyed people going abroad to winter.

Another though apparently but a remote cause of loss to us of working capital lies in the erection of life assurance, loan company, and bank buildings far larger than what is necessary for accommodation, and proportionably costly. The excess here cannot earn any rental. The building—this excess of building, has it is true given employment to workmen, circulating money for both material and wages, but the work finished, the cost of the wages paid directly and on the material is gone—it has been consumed; and so much working capital is sunk

for ever afterwards, whose want will be felt until savings enough have been accumulated by the country to replace it. And similarly with residences needlessly large, whose excess is waste, unless their grandeur set forth, as a large house always should, some dignity of position or assumed character in the owners. This country has no surplus capital of its own that would in general warrant such dormant investments. Still, when the buildings are distinguished by beauty or design—when they adorn our streets, educating us and elevating that part of our nature that ranges above mere utilitarianism, we excuse the expense, though it be a little beyond what we can properly afford.

Other charges on our resources are interest payments on our vast borrowings abroad and our share of the general governmental expense on the civil service, which last for the whole country withdraws multitudes from productive and distributive industry. With respect to this, it is to state a truism that every dollar earned by the people must bear its share of the taxes levied, and the higher these become the more does the effective purchasing power of the dollar diminish.

The cost of living is higher in Canada than anywhere else; prices rise markedly as you go from east to west, owing partly no doubt to the great distance of the West from the industrial producing centres, the extra freight always adding to the cost of heavy goods here; coal for instance must pay so much freight per ton for every mile it is carried from the mine. But the high cost of living is partly due also to extravagant habits of living; though a moderate indulgence in these is not to be blamed overmuch; we are a verile race living in a most exhilarating climate and we must, if haply we are able, live a large generous life.

A high level of prices is not always bad. It is a mark of prosperity when accompanied by a high level of wages, denoting a higher standard of living for everyone; while low prices with but little money denote the reverse. The prosperity must however be well balanced, founded on a sound and extensive industrialism able to give steady employment to working people of all kinds, and to afford them good wages. But for everyone however fit or unfit always to have to provide for high prices is too strenuous a life, leaving at best too little leisure; and there is the danger of anxiety and distress should

the prosperity fail even but a little; while a certain ill-effect is that they make the leading of a simple frugal life more difficult by insensibly fostering among us a luxuriousness foreign to the general habit of conscientious people.

The buoyant sanguine spirit that has done so much to raise the cost of living to us is not to be depreciated—it has also carried the country far on the road to prosperity; but that this advance may endure and be well founded something more is wanted now. The excesses of our late period of growth have ended through exhaustion of the subject and lack of means to go on; the sources of the seeming prosperity that accompanied it have failed; and we are driven to economy and retrenchment—that we may afterwards enter on a naturally succeeding and it is to be hoped more profitable period of development and production, which if we use it right we shall certainly come to regard as a golden opportunity afforded us to firmly settle and establish the growth we have attained so far. This growth is by no means ended; only a pause has come for a staid period of consolidation that must intervene before any considerable further step forward can be taken with the best advantage. Let it be seen that an old fashioned attention to the business before us of *producing* become now the rule, no countenance being given to disturbing speculation. All should be got somehow at work—at work of useful development and production and distribution, through which alone can any true and permanent prosperity come to the country.

IV.

Whenever the subject of the resources of this Middle West—of what we produce—is mooted, when we look for what means we have to pay our way, the mind reverts at once to our wheat fields. We have other products than wheat; the oat and barley crops last year were of the value of 90 million dollars, and we have flax, fish, minerals, the timber that skirts our prairies, and many other things; but the market value of all these products together is less than the value of the wheat; they do not bulk so large to the mind nor so strike it as of the first importance.

This foremost place of wheat in our produce has come about from the good prices once obtainable for it for local consumption. But when under such favor it was grown in

great quantity it became necessary to export the excess, and this came into competition in the British market, beside American wheat, with the wheat grown by peasant labor in Russia, India, Egypt, and Argentina. The price of their greater quantity of wheat then ruled the price of ours, and the return therefore for our higher priced labor became as low as theirs; though this effect was obscured to us for a time by the accident of good prices for wheat in Britain. The cost of living however is so much higher to our wheat growers than to their foreign competitors that when prices fell the profit left to them was at once felt to be insufficient and some relief is now being sought from the high rate of expense, in a new route to the sea, lower freights, a lower tariff, and a free wheat market to the South. And when we consider that we are growing wheat on the same wages as those peasants, although our scale of living is much higher, and when this is brought home to us, as it has been by the decline in the price of wheat in Britain in late years, we cannot but conclude that in growing it exclusively to the extent we do at such prices we are not making the best possible of our farm lands. In that perhaps we still instinctively cling to the traditional axiom that bread is the staff of life—which however it no longer is to the extent it once was for most people, who in becoming better off have got beyond that simplicity of living and now must have a richer and more varied diet of meat and luxuries of cookery. And as the poorer classes in Britain and Europe (our market) rise in intelligence, their wants too increase and they aim at a higher standard of comfort than any mere living on bread alone; which change it may be is one contributing cause of the low price of wheat now ruling. Yet with all this, wheat is a convenient cash crop for us; growing it is a sure means to get the ready money we must have every year to pay our way; we are under a necessity indeed to grow some considerable quantity of it to pay our living expenses and our current indebtedness abroad. Still, even for this purpose it should be merely an auxiliary to farming, not its chief object.

According to the Dominion Government statisticians the wheat crop of the three prairie provinces for 1913, from a cultivated area of 10 million acres, was 209 million bushels, of a total value (at 67½ cents the bushel) of 141 million dollars. The yield per acre for the several provinces was, for Manitoba

19 bushels, Saskatchewan 21.3 bushels, and Alberta 22.7 bushels, the average of all being 20.8 bushels, which, valuing the land at \$20 the acre, works out to cost with interest 57½ cents per bushel, leaving a surplus to the grower of 10 cents per bushel, or about \$2 per acre. The total surplus accruing to the wheat growers of the three provinces is about 21 million dollars, the remaining 120 million dollars being the cost of growing the crop with interest on the value of the land. This amount of cost, with a proportion of the 90 million dollars produced by the oat and barley crops, has been the chief means of supporting a large rural population, in farm labor to a small extent and to a larger one in industries akin to farming, with something to the farmer himself, and so certainly has been a great gain to the country. That we have been able to realise these large sums from the produce of the land is an immensely important fact in considering the value of our resources. It shows the land has a substantial revenue-producing value, which without doubt may be greatly increased by more scientific farming. The difference now between the cost of growing the wheat crop and its sale proceeds is hardly indeed a safe margin of profit.

Before all things—and this is the conclusion of the whole matter—the productiveness of the land somehow should, as it may be, increased. A note of doubtful value indeed would attach to the land if the result from such farming as obtains must continue always so poor. The Government statisticians cited above state the total yield of wheat for all Canada in 1913 at 232 million bushels, of the value of 156 million dollars, from a cultivated area of 11 million acres, and the share we in the West take in this wheat culture is evidently too preponderant in our farming. The wheat crop of the three prairie provinces was nine-tenths of the total wheat crop of Canada, whereas our oat and barley crops were each only six-tenths of the total for Canada. So that if our wheat crop had been diminished by one-third or 70 million bushels, it would still have borne the same proportion to the wheat crop of the rest of Canada as our oat and barley crops bear. (The continued preponderance of wheat growing in the West comes now no doubt from the easiness of cultivating our prairie fields.) But though the wheat crop may be increased in yield per acre, yet other branches of farming replacing it partly would pay better.

We ought long ago more earnestly to have set about improving our agriculture; a way to do which would be not merely to increase the acreage under cultivation, as we are always doing, but also to make every acre yield more by higher intensive culture, with rotation of crops, and further by, the general adoption of mixed farming, wherever there is some broken park-like land, and from the nature of the soil and a plenitude of water this is suitable and feasible. The amount of this mixed farming ought in general largely to exceed the wheat growing in extent and value; we should thereby avert the danger of loss through drought or hail or frost, and avoid the present necessity of rushing our chief crop to market at whatever price may rule, and so also the yearly recurrent problem of transportation would be solved. The railways would be busy all the year round instead of being as now over-busy for two months or so in the autumn; while the avoidance of the pressure to ship the crop would besides render feasible a co-operative use of farm machinery, beonging to a number of neighboring farmers instead of as now wholly to one, every one owning a set, whose heavy cost is felt by all as too great a charge. And more important still, mixed and diversified farming by bringing farms closer together would afford better opportunities of social intercourse among the young people, so keeping them contentedly on the farm while the elders would also be kept there employed the year round. And as such farming flourishes in a neighborhood so will local industries. The farm indeed is a field for increased productiveness that by serving also as a foundation for industries can, as nothing else can, promote trade and bring permanent prosperity to the West.

That in a general adoption of mixed and widely diversified farming—gradually it must be—lies our best hope, is happily coming to be seen more and more every day; in the last year or two a steady increase in the number of cattle kept on the farms has been discernible in passing through the country. The improvement should be encouraged by all means. The keeping of a proportionate number of cattle and sheep besides pigs on every farm might be effectually brought about by the banks in their temporary advances to farmers and by loan companies. Some wheat lands are certainly overcropped and cattle and sheep ought to be turned on them to restore their

fertility; signs are not wanting of a deterioration in the wheat we are growing—our old-time pride "No. 1 Hard," for instance, is almost a thing of the past.

Homesteads have been allowed too freely to encroach on the ranges in the far West and crowd them out. Their cattle might otherwise by this time have stocked all the farms, so cheapening meat for the whole country, whereas now, failing any adequate demand from the farms, the western ranges have to export much of their cattle to the South, and this causes scarcity and high prices to the consumer. This want mixed farming would supply; while also near every town and city there should be extensive market gardens and poultry and dairy farms the want of which is another great cause of high prices in our housekeeping. With such agricultural resources at hand it is most wasteful not to produce enough of such things to supply our townspeople, but to be obliged to import them at a great extra cost from a distance. With steady encouragement, the law of supply and demand would by-and-by come into operation here and redress the fault, the better prices obtainable for meats overcoming the excessive wheat growing.

This must always be mainly an agricultural country, with farming its chief industry, and the ideal before us should for the present be to endeavor to establish first an industrious and prosperous community of farmers, who shall, while farming well, gradually adopt mixed farming where feasible; near whose farms there shall be many small towns and somewhat larger cities, where the farmers' sons on leaving home may build up suitable local industries, which would form the best foundation for more important ones that might afterwards be found advisable and be able to gain a footing in the neighborhood. The people of the Middle West should all know something of farming; and sufficient land ought to be made available to townspeople somewhere near-by as a field for farming practice, in which they may learn (and then teach) its rudiments, raising household garden supplies in the summer season, instead of idling this wholly away camping out. In some such a way, if generally adopted in large towns, might be found a resource that would do much to alleviate the evil of occasional unemployment.

When this preliminary work is accomplished and our farms are producing greater wealth—wealth that now lies undeveloped,

then will arise larger towns and cities here—the few already founded growing much larger, and worthily representing the realised wealth and importance of the Middle West. And then will the country generally be in such a condition of prosperity as farmers have never known yet, while a large population of industrial workers and distributors will be living cheaply and at ease.

J. H. MENZIES, F. C. A.

Bank of Nova Scotia Building, Winnipeg.

June, 1914.



